

But George, surely you'll still be allowed to own a car. They aren't going to make that illegal. Of course they won't, but they didn't make [general computation](#) illegal either. And yet, who has root on the computer you are reading this on?

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Robotaxis will start to make obvious economic sense in 3 - 5 years (note that that's [less than](#) 8, you don't have to fully solve self driving cars for this, robotaxis can operate profitably in limited scopes).

Unlike Uber and Lyft which are marketplaces, the growth of robotaxi networks is only limited by capital. At first, there will be massive proliferation of networks. VC-type investors have unlimited appetite for risk, and all 26 of the basically identical companies will pitch with projections claiming they will own the entire market. Even though everyone should know there's 25 other identical companies, they will have secrecy vibes trying to claim they figured out some key detail the others didn't.

It will look like scooter companies, which were also only capital constrained, and the streets will be blanketed by these robotaxis in a throwback to the scooter era. Some jurisdictions will make up weird licensing processes, not that you have to give a straight up cut to the government, but that your company has to be onboard with some stupid political agenda item to get a license (our robotaxis are all cleaned by Black Women who were diagnosed by Licensed Therapists with PTSD from the ICE raids, so we should be first in line to get a license).

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This era will be great for everyone, plenty of availability, nice new cars, and cheap rides everywhere! You always think people are going to catch on with the scams of Silicon Valley, but the scammers manage to stay one little step ahead and dress up the scam differently this time. You yourself will think for a minute this time will be different, maybe something about AI and abundance, maybe something about how they are regulated better to support the local community, maybe a three token model backed by USDC in a vault backed by this coin that's stabilized by the... But nothing will fundamentally be different, these companies will grow based on how much

they can raise – the biggest companies will be the biggest liars promising the biggest returns.

These companies are massively unprofitable. Some will hide this better than others and keep the investment dollars rolling in. Some will give up the ghost and get bought by the bigger companies. The big fish will eat the little fish.

From 2 6 down to 2 or 3.

At this point, it's time to raise prices. You'll always have a defector among 2 6 companies, but among 2 or 3, you'll be able to coordinate pricing without explicitly discussing it (which would be illegal!). Everyone tacitly agrees that the correct price for a ride has nothing to do with the cost of providing that ride, just simply the algorithmically calculated maximum amount the purchaser is willing to pay. Since the companies have consolidated, they have access to enough data to make this prediction easy.

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This era will start to be bad, but like Homer corrected Bart, this is just the worst era so far. We'll be back to where we are today with Uber and Lyft, but then the companies will realize the new leverage they have now that they didn't have before. Uber and Lyft always have the [analog hole](#), where as much as they dress it up, when Uber is paying my driver \$ 7 for a ride that I'm paying \$ 2 0 for, I can just talk to the dude and be like let's both cancel and I'll give you \$ 1 0 cash.

With robotaxis, you can't do this. There's 0 fear that a robotaxi will defect from your network. The only remaining competition with any check on prices is personal car ownership.

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So no, they won't make it illegal to own cars. They will just raise the price through insurance. Who is going to insure a human driver? The car insurance companies will one by one switch to only insuring robotaxis that are owned by large corporations (you can't own it, you might do the maintenance wrong and we can't trust you to do that). But it's really just a thinly veiled excuse, the capital markets backing insurance companies implicitly know the profit is in robotaxis.

Of course, the government has an option for you to self insure. You can place a \$ 7 5 , 0 0 0 cash bond with the DMV. You got \$ 7 5 k lying

around you don't wanna earn interest on? Driving is a privilege, not a right. How much is it really worth to you?

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This is simply what's going to happen. I don't see anything in America that will stop it. Get ready for 2 - 3 companies to effectively own the roads and all the enshittification that will follow. China won't have this problem, Xi Jinping will download a robotaxi app, look at the gouged price, and gently nudge that company to be run for the good of the people. Of course that won't even need to happen, because no company in China would let it get that far out of hand. I'm starting to see why the Chinese are a lot more optimistic about AI than Americans.

Are you just okay with this? [Have you considered not participating?](#)